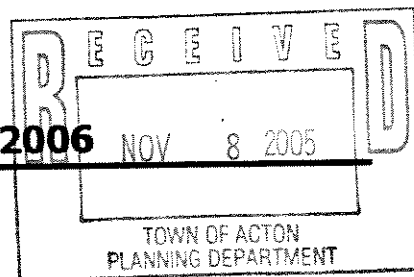


PROJECT APPLICATION FORM – 2006



Applicant: Acton Community Housing Corporation

Submission Date: 11/14/05

Applicant's Address, Phone Number and Email

ACHC c/o Nancy Tavernier, Chair

Acton Town Hall

472 Main St.

Acton, MA 01720

978-263-9611

achc@acton-ma.gov

Purpose: (Please select all that apply)

☐ Open Space

☒ Community Housing

☐ Historic Preservation

☐ Recreation

Town Committee (if applicable): Acton Community Housing Corporation

Project Name: Willow/Central - Land Acquisition

Project Location/Address: 28 Willow St. & 214 Central St.

Amount Requested: \$ 160,000

Project Summary: In the space below, provide a brief summary of the project.

ACHC is seeking \$160,000 in CPA funds to cover a portion of the land acquisition costs for the town-owned land at Willow/Central. ACHC is proposing the development of up to three units of affordable housing. The Town has calculated the total acquisition cost to be \$202,548.32 as of April 30, 2006 when the parcel will be conveyed to ACHC. By law, the Town must be reimbursed for these expenses to release the property, free and clear, for any development. This is the breakdown of the expenses that require reimbursement to the Town:

Taxes and Penalties	\$	112,707.81
Legal Expenses	\$	17,084.67
HazMat Clean-up Cost	\$	65,096.00
Pilot per MGL C. 44 S 63A	\$	7,659.84
TOTAL	\$	202,548.32

It is anticipated that the Taxes and Penalties line item will continue to rise beyond the April 30 date so ACHC is budgeting for a \$210,000 total for land acquisition. ACHC is proposing to add \$50,000, from existing affordable

housing gift funds, to cover the full cost to the Town at \$210,000. This project in general will leverage additional sources of public and/or private funding, an important CPC criteria for recommendation. This request for land acquisition costs will leverage affordable housing funds at a minimum level of \$50,000.

In April 2005, Town Meeting voters appropriated \$160,000 CPA funds for a Community Housing Program Fund (\$10,000 to cover ACHC administrative expenses). The Program Fund was proposed to be used to finance new affordable housing initiatives in a set-aside fund to be retained within the CPA General Funds and earmarked for appropriate affordable housing activities recommended by the ACHC or any other entity approved by the Board of Selectmen. It was anticipated that the 2005 Program Fund could be used for the site acquisition costs of the Willow/Central land. However, ACHC finds that by holding this fund in reserve for that use, it has hampered our ability to respond to other opportunities in the creation of new affordable units or in improving the affordability of approved affordable units. The magnitude of the acquisition costs was not known until July 2005. We had not anticipated using the entire amount of the Program Fund for this purpose since we have other program ideas we are ready to implement.

ACHC, therefore, would like to tie this \$160,000 request specifically to the land acquisition costs for the Willow/Central project. All major decisions on the disposition of the town-owned Willow/Central parcel are scheduled to be made at the April 2006 Town Meeting. This would be an important piece of that package of decisions and will dovetail with those actions. This would also allow ACHC to proceed with other uses of the 2005 Community Housing Program Fund immediately.

When the ACHC presents this proposal to the CPC, we will give a full presentation on the Willow/Central housing development proposal itself so you can see the progress that has been made. This will help the CPC understand the crucial role that CPA funds play in the successful conclusion of this proposed development.

In August 2005, the Town retained the services of Avery Associates to determine the market value of the Willow/Central parcel, for the highest and best use, which is the demolition of the existing structure and the construction of a new single family or two-family dwelling. The full value was determined to be \$225,000 minus the demolition cost of \$5,000, giving a net value of \$220,000. The ACHC estimates that the demolition costs could be as high as \$15,000 which would give a current net market value of \$210,000. This value is in line with the required acquisition costs for the property.

Community Housing Goals met with this proposal

The Acton CPC has established goals in order to address the housing needs of the community. Affordable housing at the Willow/Central site will accomplish these goals:

- Create, preserve and support community housing and rehabilitate or restore community housing that is acquired or created under the CPA. Give preference to the reuse of existing buildings and to the construction of new buildings on previously developed sites.
- Preserve the character of Acton's established residential neighborhoods.
- Promote Smart Growth and be guided by sustainable development principles.

Acton's new Community Development Plan entitled "To Live in Acton" identified priority housing needs that could be addressed with the Willow/Central project. These are the priorities:

PRIORITY HOUSING NEED #1 Low-Income Rental Units (If the Acton Housing Authority purchases a 3-BR unit for low income rentals)

- In Acton's region, a four-person family with income at or below \$41,350 meets the federal definition of a low-income household. There are 405 low-income families living in Acton today. 89% are cost burdened.

PRIORITY HOUSING NEED #3 Moderate-Income Homeownership

In Middlesex County, Acton has one of the highest percentages of low and moderate-income households that are housing cost burdened. The incidence of homeowner cost burden is very high among young families in three of Acton's census block groups. Moderate income is defined as households at 80% of Area Median Income.

PRIORITY HOUSING NEED #5 Below-Market Homeownership
(If the Acton Housing Authority does not purchase one of the units, it may be sold to a Below-Market household at 130% of the Area Median Income)

Acton's region has experienced some of the highest rates of single-family and condominium sale price growth of any area in the Commonwealth. Last year's single-family home sale price in Acton - \$469,275 – is unaffordable to 83% of all households in the Boston metropolitan area.

Estimated Date for Commencement of Project: September 2006

Estimated Date for Completion of Project: September 2007

TOWN OF ACTON – BOARD OF SELECTMEN

Motion to Authorize Acton Community Housing Corporation to Advance Affordable Housing Development on Certain Town-Owned Property

WHEREAS the Town of Acton is the owner by tax taking of the real property at 28 Willow Street and 214 Central Street, Acton, Massachusetts (the "Property") by tax title takings in Land Court Case Nos. 112320 T.L. and 112319 T.L. (Judgments dated May 4, 1998).

WHEREAS the Acton Community Housing Corporation ("ACHC") proposes that the Property be developed as an affordable housing project consisting of three units of affordable housing (a duplex farmhouse on the Central Street side of the Property and a one-unit bungalow on the Willow Street side of the Property) (the "Project").

WHEREAS the Board of Selectmen supports ACHC's proposal for the Project.

WHEREAS ACHC is a non-profit housing corporation created by special Home Rule legislation and is subject to the supervision of the Board of Selectmen. See Chapter 143 of the Acts of 1996, § 1.

WHEREAS, under ACHC's Home Rule legislation, ACHC has the power "with the approval of the board of selectmen, to acquire ..., and to own, ... and to ... sell, transfer, convey, ... or to otherwise dispose of, on such terms and conditions as it may deem proper, real ... property ... as may be necessary or appropriate to carry out its purposes." (St. 1996, c. 143, § 2(d)).

WHEREAS the Board of Selectmen intends to place an article on the warrant for the next Town Meeting to authorize the Selectmen to convey the Property to ACHC on certain terms and conditions for purposes of re-conveyance, subject to applicable law, to a developer that will develop affordable housing on the Property.

NOW THEREFORE, the Board of Selectmen moves to authorize the following actions in furtherance of the Project on the Property:

1. ACHC is hereby authorized to apply to the Department of Housing and Community Development ("DHCD") for any necessary approval and site eligibility determination under the Local Initiative Program, 760 CMR 45.00, for the Project.
2. ACHC is hereby authorized to apply to the Acton Board of Appeals for a Comprehensive Permit under M.G.L. c. 40B for the Project.
3. ACHC is hereby authorized to apply to other State and Town boards, commissions, departments, and agencies for any other necessary permits and approvals for the Project, exclusive of any building permits and other

construction-related permits needed for the actual construction of the Project (it being understood that the Selectmen and ACHC intend, subject to Town Meeting approval, that the permitted Project and Property will be conveyed pursuant to applicable law and re-use restrictions to a qualified developer who will own the Property, construct the Project, and dispose of the units as appropriate).

4. Prior to submission, each such application shall be provided to Town Counsel, the Town Manager, and the Board of Selectmen for their respective review and approval, and for execution as may be necessary on behalf of the Town.
5. Town Counsel, in consultation with the Town Manager, is hereby authorized and directed to prepare any necessary Affordable Housing Restrictions, Land Dispositions Agreements, Request for Proposals, and other transaction documents necessary to effectuate the Project.
6. The Town Manager is hereby authorized to determine the value of the Property subject to the terms and conditions of the Comprehensive Permit and the affordable housing restrictions to be imposed on the Property. Said determination shall be made under G.L. c. 30B, § 16(b), through procedures customarily accepted by the appraising profession as valid, including in the judgment of the Town Manager a real estate appraisal from a qualified real estate expert familiar with property values in the Town of Acton.
7. In the event the value of the Property as so determined exceeds twenty-five thousand dollars in value, ACHC is hereby authorized to issue a Request for Proposals ("RFP") in accordance with documents to be prepared by Town Counsel and approved by the Town Manager and the Board of Selectmen for the prospective conveyance of the Property conditioned upon the construction and implementation of the Project. Without limitation, the RFP shall condition such disposition of the Property on the approval of Town Meeting and the further approval of the Board of Selectmen under St. 1996, c. 143, § 2(d) and/or other applicable law.
8. Town Counsel, in consultation with the Town Manager, is hereby authorized and directed to prepare any necessary warrant articles for the next Town Meeting to authorize the Selectmen to convey the Property to ACHC for purposes of re-conveyance to a developer who shall develop the affordable housing Project on the Property, subject to applicable law, subject to terms and conditions established by the Selectmen, and subject to the terms and conditions of the Comprehensive Permit and the affordable housing restrictions to be imposed on the Property for the Project.
9. For purposes of G.L. c. 40, § 15, the proposed warrant article authorizing the Board of Selectmen to convey the Property to ACHC shall specify the amount to be paid by ACHC for such conveyance as \$202,548.32, which when paid

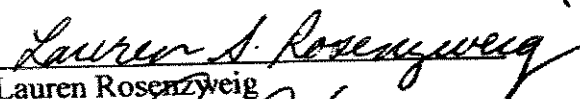
to be paid by ACHC for such conveyance as \$202,548, which when paid shall be applied, in the following order, to (a) the taxes, interest and penalties outstanding with respect to the Property, (b) the required amount of the payment in lieu of taxes that would be required from a buyer of the property, calculated in accordance with G.L. c. 44, § 63A, as of the date of the conveyance, (c) the assessment, containment and removal costs incurred by the Town with respect to the environmental condition of the Property, and (d) the attorney's fees and costs related to the Town's investigation of environmental contamination at the Property and the lawsuit to collect those costs.

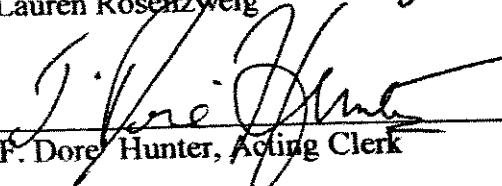
IN WITNESS WHEREOF, the Board has caused the foregoing to be moved, seconded, and approved at an open meeting duly called and noticed for the purpose on this 18th day of July, 2005.

TOWN OF ACTON, MASSACHUSETTS,
By its Board of Selectmen


Peter K. Ashton, Chairman

Walter M. Foster, Vice Chairman


Lauren Rosenzweig


F. Dore Hunter, Acting Clerk

Amount Due for 28 Willow and 214 Central St

<u>Category</u>	<u>Amount</u>	<u>Comment</u>
Taxes and Penalties	\$ 112,707.81	Thru April 30, 2006, No additional taxes since foreclosure
Legal Expenses	\$ 17,084.67	Thru July 18, 2005
HazMat Clean-up Cost	\$ 65,096.00	Thru July 18, 2005
Pilot per MGL C. 44 S 63A	\$ 7,659.84	Assumed Conveyed on April 30, 2006
Total	\$ 202,548.32	

John Murray 7/18/05

AVERY ASSOCIATES

REAL ESTATE APPRAISERS - COUNSELORS

282 CENTRAL ST.
P.O. Box 834
ACTON, MA 01720
TEL: 978-263-5002
FAX: 978-635-9435

info@averyandassociates.com

September 6, 2005

Don Johnson, Town Manager
Town of Acton
472 Main Street
Acton, MA 01720

RE: 214 Central Street and 28 Willow Street, Acton, MA

Dear Mr. Johnson:

In accordance with our agreement, we are pleased to transmit the appraisal report detailing an estimate of the market value of the fee simple interest in the above referenced property. This appraisal contains the data, analysis and conclusions on which the estimate is based.

The subject property consists of a 7,708 square foot parcel of residential land located at 214 Central Street and an 8,091 square foot parcel of residential land, improved with a garage/office building, at 28 Willow Street in West Acton. Since these parcels are under common ownership, they are appraised as a single building site.

The complete appraisal developed in support of this estimate of value is reported in the summary report format and is qualified by certain definitions, limiting conditions and certifications presented in detail in the appraisal report. This report has been prepared for your exclusive use. It may not be distributed to or relied upon by other persons or entities without permission.

As a result of this analysis, an opinion has been developed that the market value of the fee simple interest in the property, subject to the definitions, limiting conditions and certifications set forth in the attached report, as of August 29, 2005, is:

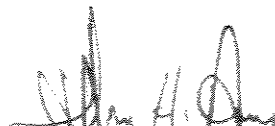
TWO HUNDRED TWENTY THOUSAND (\$220,000) DOLLARS

This letter must remain attached to the report, which contains 20 pages plus related exhibits, in order for the value opinion set forth to be considered valid.

Respectfully submitted,



John H. Neas, RA
Massachusetts Certified General
Real Estate Appraiser #73



Jonathan H. Avery, MAI, CRE
Massachusetts Certified General
Real Estate Appraiser #26

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

ADDRESS: 214 Central Street and 28 Willow Street
Acton, Massachusetts

OWNER OF RECORD: Town of Acton

DATE OF VALUE ESTIMATE: August 29, 2005

INTEREST APPRAISED: Fee Simple

LAND AREA: 15,799 square feet

IMPROVEMENTS: A commercial garage/office building with
2,212 square feet of building area

ZONING: Village Residential District

HIGHEST AND BEST USE: Demolition of the existing structure and the
construction of a new single family or two-
family dwelling

ESTIMATE OF VALUE: \$220,000

APPRAISED BY: John H. Neas, RA
Jonathan H. Avery, MAI, CRE
Avery Associates
Post Office Box 834
282 Central Street
Acton, MA 01720

Miscellaneous: Sale 1 is a rear lot with driveway, slope and utility easements and excess septic costs and was adjusted +20%. Sale 5 was purchased with an existing bungalow house that would need to be demolished for any redevelopment of the site. The Buyer was responsible for this expense so an adjustment of +\$5,000 has been made to this sale.

The information on the five sales, *after adjustments*, is shown below:

Date of Sale	July of 2003 to March of 2005
Lot Size	20,044 square feet to one acre
Adjusted Sale Price Per Lot	\$194,480 to \$242,250

After adjustments, the comparable sales display a range of value from \$194,000 (rounded) to \$242,000 (rounded). The greater emphasis has been placed on Sale 1 at Lot A Central Street with an adjusted sale price of \$206,150, Sale 2 at Lot 123 Paul Revere Road with an adjusted sale price of \$227,500, Sale 3 at Lot 24 School Street with an adjusted sale price of \$194,480 and Sale 5 at 7 Sylvia Street with an adjusted sale price of \$231,875.

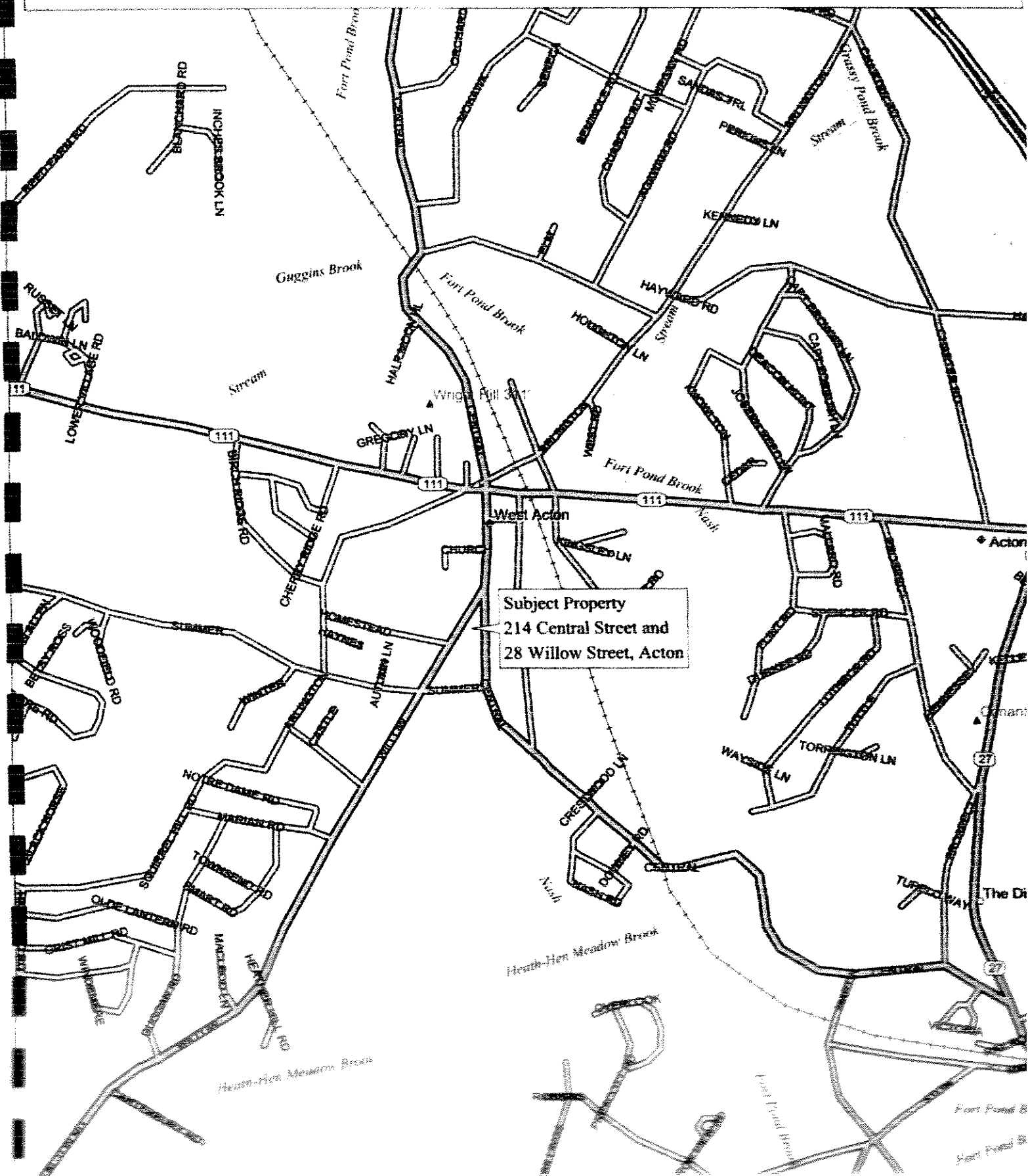
The market data presented is for comparable sales that are considered to be the best examples from the current market that are similar to the subject property. We have selected a retail market value of \$225,000 for the 214 Central Street/28 Willow Street lot.

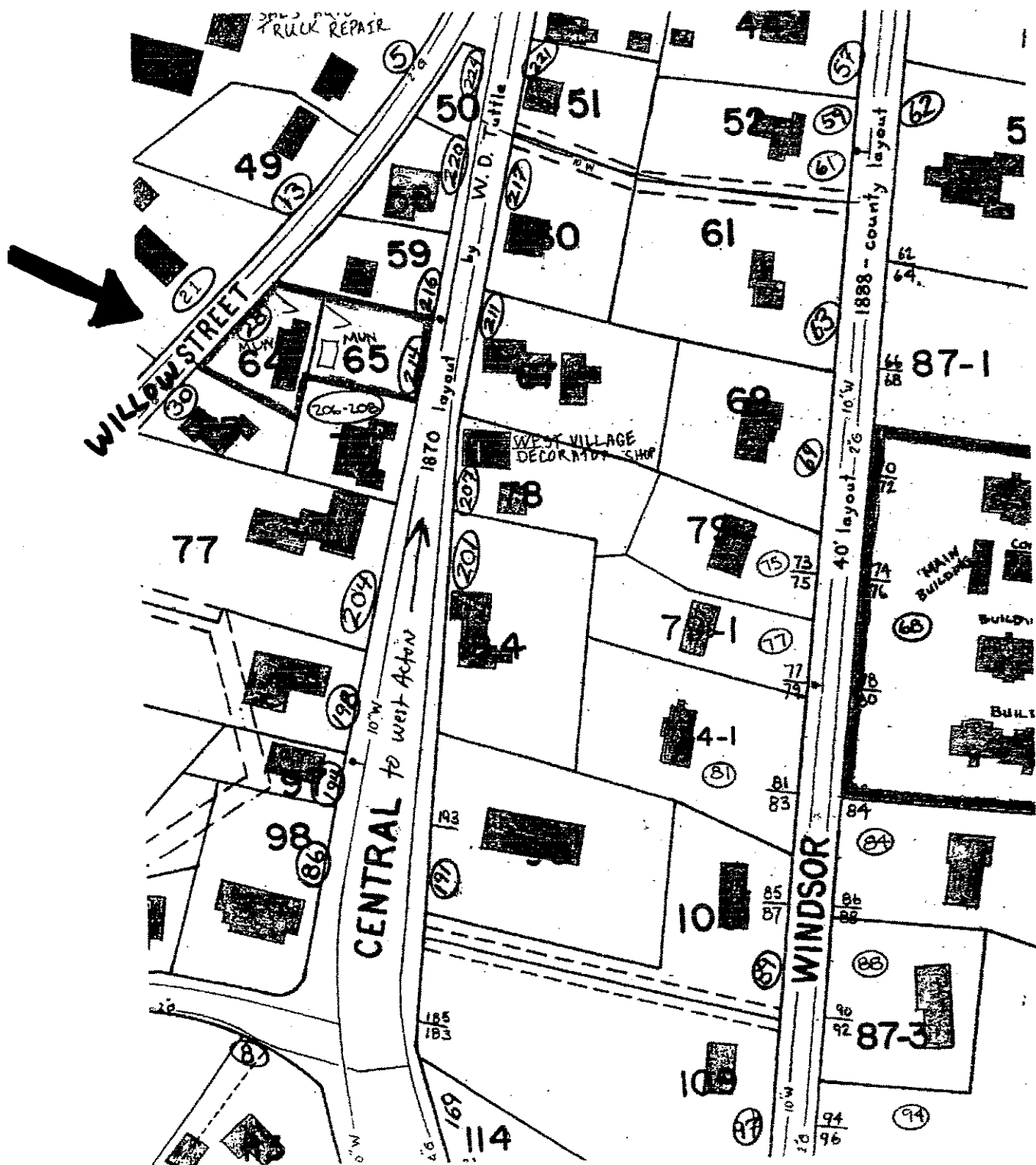
This value has then been adjusted for the cost of demolition/removal as follows:

Market Value	\$225,000
Less the Cost of Demolition/Removal	<u>5,000</u>
	\$220,000

The sales adjustment grid follows:

Neighborhood Location Map





28 Willow St.
214 Central St.

**Acton Community Housing Corporation
Affordable Housing Proposal**



28 Willow Street



214 Central Street